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## STATEMENT

### PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA (PCI)

#### H.B. 6868 – AN ACT CONCERNING THE CONNECTICUT INSURANCE GUARANTY ASSOCIATIONS

### COMMITTEE ON INSURANCE AND REAL ESTATE

March 3, 2015

The Property Casualty Insurers Association of America (PCI) appreciates the opportunity to comment on H.B. 6868, an act concerning the Connecticut Insurance Guaranty Associations. Our comments are provided on behalf of the member companies of PCI, a national property casualty trade association with over 1,000 member companies. PCI member companies provide 36 percent of Connecticut's property casualty insurance coverage.

PCI supports the provision of this bill under which claims against an insurer do not go to the guaranty fund until a final order of liquidation with a finding of insolvency has been entered with respect to the insurer. This is a helpful clarification and provides much greater certainty to all parties.

PCI has concerns with certain provisions in Section One of this bill which would require the guaranty funds to pay claims on business which was assumed from another insurer. PCI's concerns relate to instances where the assumed business was not otherwise subject to guaranty fund protection. Guaranty fund assessments were never paid for policies which were not subject to guaranty fund protection when they were written. Accordingly, PCI is concerned that it would not be equitable for business upon which assessments were not paid, to gain guaranty fund protection because such business has been assumed by another insurer. PCI believes this language is unnecessary and urges that it be deleted from the bill.

For the foregoing reasons, PCI would urge that HB 6868 be amended to address the concerns set forth above.